

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:

Case No. 13-59673

WEAAM NOCHA,

Chapter 11

Debtor.

Judge Thomas J. Tucker

ORDER REQUIRING DEBTOR TO AMEND DISCLOSURE STATEMENT

On May 6, 2014, Debtor filed a plan and disclosure statement, in a document entitled “3rd Amended Combined Plan and Disclosure Statement of Weaam Nocha” (Docket # 98). The Court cannot yet grant preliminary approval of the disclosure statement contained within this document (“Disclosure Statement”). The Court notes the following problems, which Debtor must correct.

First, Article II of the Plan on pages 20-22 is entitled “Claimants Not Subject to Classification and Not Entitled to Vote,” and treats administrative claims in Group I; the claims of the United States Trustee for quarterly fees in Group II; and the claims entitled to priority under 11 U.S.C. § 507(a)(8) in Group III. But in Paragraph IV.B of the Plan on pages 24-25, Debtor treats these same claims under the heading “Classification of Claims, Interest and Treatment.” Debtor must correct this internal inconsistency by deleting everything in Paragraph IV.B regarding the treatment of the claims in Groups 1-3, and including any information on the treatment of the claims in these groups that is not included in Article II of the Plan in that section of the Plan, so that all of the information regarding the treatment of the claims of these groups is only in Article II of the Plan.

Second, Article III of the Plan on page 22 states, in relevant part: “The administrative expenses of the Debtor’s Chapter 11 case allowed pursuant to 11 U.S.C. § 503(b) shall be paid in

full **within ten (10) days of confirmation**, unless the administrative claimants agreed to different treatment or unless otherwise ordered by the Court, in cash, or upon such other terms as may be agreed upon by the holder of such allowed expense or Allowed Claim and the Debtor.” (Emphasis added). This is inconsistent with the treatment of administrative claims in Group 1 on page 20 of the Plan, which states: “This group consists of administrative claims including attorney fees for Debtor’s counsel totaling approximately \$10,000 - \$15,000 to be paid in full **within ten (10) days of the Effective Date** unless the administrative claimants agreed to different treatment or unless otherwise ordered by the Court, in cash, or upon such other terms as may be agreed upon by the holder of such allowed expenses or Allowed Claim and the Debtor.” To correct this internal inconsistency, Debtor must delete Article III in its entirety on page 22 of the Plan.

Third, Debtor must delete Article IV of the Plan on page 22, because it contains statements that are not necessary. And if these statements are intended to state legal requirements, they are not correct statements of law.

Fourth, Debtor must include all of the information regarding Classes I-IV only under a section of the Plan captioned “Claimants Subject to Classification and Entitled to Vote on the Plan.”

Accordingly,

IT IS ORDERED that no later than **May 13, 2014**, Debtor must file an amended combined plan and disclosure statement that is consistent with this Order.

IT IS FURTHER ORDERED that no later than **May 13, 2014**, Debtor also must file a redlined version of the amended combined plan and disclosure statement, showing the changes

Debtor has made to the “3rd Amended Combined Plan and Disclosure Statement of Weaam Nocha” (Docket # 98), filed May 6, 2014.

Signed on May 09, 2014

/s/ **Thomas J. Tucker**
Thomas J. Tucker
United States Bankruptcy Judge